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AVERAGE ANNUAL PAY IN METROPOLITAN AREAS FOR THE STATE OF IOWA, 1998

Cedar Rapids led Iowa's metropolitan areas in 1998 with average annual pay of \$31,394, 52nd highest among the 313 metropolitan areas nationwide. Des Moines recorded the second highest pay level in Iowa at \$30,627 and ranked 71st nationwide. Sioux City averaged the lowest annual pay, \$24,909. None of the metropolitan areas in the State had an annual pay level above the national average of \$33,381, according to Peter J. Hebein, Regional Commissioner of the U.S. Bureau of Labor Statistics in Chicago.

Growth in annual pay from 1997 to 1998 varied among Iowa's seven metropolitan areas with two exceeding the 5.2 percent nationwide gain for all 313 metropolitan areas. Pay levels rose 8.2 percent in Cedar Rapids and 5.5 percent in Sioux City. Waterloo-Cedar Falls recorded the lowest growth rate in the State with an increase of 1.1 percent in 1998. (See Table 1.)

Average annual pay data are compiled from reports submitted by employers subject to state and federal unemployment insurance (UI) laws covering 124.2 million full- and part-time workers nationwide. Average annual pay is computed by dividing the total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note beginning on page 3.) Pay differences between areas reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year pay changes may reflect shifts in these characteristics, as well as changes in the level of average pay. Pay data for 69 Metropolitan and Primary Metropolitan Statistical Areas in the ten Midwestern states of Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin, are available in Table 2 of this release.

Metropolitan Areas in Ten Midwestern States

Among the 69 metropolitan areas in the ten Midwestern states, Detroit, MI had the highest average annual pay at \$39,520 in 1998. Chicago, IL recorded the second highest pay level (\$37,752), followed by Kokomo, IN (\$37,517). Rapid City, SD had the lowest average annual pay at \$22,208. Annual pay for the metropolitan areas in the ten states averaged \$33,131, 5.2 percent more than in 1997. (See Table 2.)

Within the Midwestern states, the largest percentage increase in average annual pay from 1997 to 1998 occurred in St. Cloud, MN (11.4 percent). Cedar Rapids, IA had the second highest growth rate at 8.2 percent, followed by Bloomington, IN at 6.7 percent and Indianapolis, IN at 6.5 percent. None of the 69 metropolitan areas reported a decline in pay in 1998, but several showed little growth.

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Technical Note

These data are the product of a federal-state cooperative program known as Covered Employment and Wages, or the ES-202 program. The data are derived from summaries of employment and total pay of workers covered by unemployment insurance (UI) legislation and provided by State Employment Security Agencies (SESAs). The summaries are a by-product of the administration of state unemployment insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI. Data for 1998 are preliminary and subject to revision. Effective with third-quarter 1997 processing, employment and wage totals were generated using new systems in each of the states and at the Bureau of Labor Statistics. In some cases, this transition to new systems resulted in larger differences between preliminary and final 1997 levels.

Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual employment and pay data included in this release are derived from microdata summaries of nearly 7.7 million employer reports of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 1998, UI and UCFE programs covered workers in 124.2 million jobs. The estimated 119 million workers in these jobs, (after adjustment for multiple jobholders), represented 98.4 percent of wage and salary civilian employment. Multiple jobholder estimates are produced by the Current Population Survey (CPS). Covered workers received \$3.961 trillion in pay, representing 95.5 percent of the wage and salary component of personal income and 46.5 percent of the gross domestic product.

Major exclusions from UI coverage during 1998 included most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Concepts and methodology

Average annual pay was computed by dividing total annual pay of employees covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans, and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Workers on paid vacations and part-time workers also are included. Percent changes in average annual pay were computed using final 1997 data as the base. These final 1997 data may differ from the preliminary 1997 data previously published.

Average annual pay is affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations. When comparing average annual pay levels between industries and/or states, these factors should be taken into consideration. Annual pay data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer. Also, year-to-year changes in average annual pay can result from a change in the proportion of employment in high- and low-wage jobs, as well as from changes in the level of average annual pay.

In order to insure the highest possible quality of data, SESAs verify with employers and update, if necessary, the industry, location, and ownership classification of all establishments on a 3-year cycle. Changes in establishment classification codes resulting from the verification process are introduced with the data reported for the first quarter of the year. Changes resulting from improved employer reporting are also introduced in the first quarter. For these reasons, some data, especially at more detailed industry levels, may not be strictly comparable with earlier years. In 1997, effective with first-quarter data, improved Department of Defense civilian employment and wages were centrally collected from a new data source.

A few covered employers provided insufficient information on the nature of their businesses to assign a specific SIC classification and therefore could not be classified by industry division. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

Additional statistics and other information

Average annual pay data for the nation and for all metropolitan areas is available on the Internet at <http://stats.bls.gov/newsrels.htm> in the following news releases:

- Average Annual Pay by State and Industry
- Annual Pay Levels in Metropolitan Areas
- Employment and Annual Average Pay for Large Counties

BLS issues an annual report which provides data from state UI and UCFE programs. The comprehensive bulletin, *Employment and Wages, Annual Averages, 1998*, Bulletin 2525, features information by detailed industry on establishments, employment, and wages for the nation and individually for each state. The report may be purchased for \$48.00 from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Telephone orders using a credit card (MasterCard, VISA, Discover/NOVUS) or Government Printing Office Deposit Account are accepted at (312) 353-1880 from 8 a.m. to 3 p.m. CT

Table 1. Average annual pay for 1997 and 1998 for all covered workers 1/ by metropolitan area in the state of Iowa

Metropolitan areas <u>3/</u>	Average annual pay			National ranking <u>2/</u> By level of annual average pay, 1998
	1997	1998 <u>4/</u>	Percent change, 1997-98 <u>5/</u>	
All metropolitan areas	\$ 31,734	\$ 33,381	5.2	---
Metropolitan areas in ten Midwestern states <u>6/</u>	31,489	33,131	5.2	---
Cedar Rapids, IA	29,005	31,394	8.2	52
Davenport-Moline-Rock Island, IA-IL	28,462	29,298	2.9	99
Des Moines, IA	29,167	30,627	5.0	71
Dubuque, IA	25,446	26,457	4.0	180
Iowa City, IA	26,431	27,263	3.1	151
Sioux City, IA-NE	23,603	24,909	5.5	239
Waterloo-Cedar Falls, IA	26,432	26,728	1.1	172

1/ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

2/ Rankings are based on a comparison of data for 313 metropolitan areas nationwide.

3/ Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as of June 1998. See Technical Note.

4/ Data are preliminary.

5/ Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

6/ The ten Midwestern states discussed in this release are Illinois, Indiana, Iowa, Michigan, Minnesota, North Dakota, Ohio, South Dakota, and Wisconsin.

Table 2. Average annual pay for 1997 and 1998 for all covered workers 1/ by metropolitan area in ten Midwestern states

Metropolitan areas <u>3/</u>	Average annual pay			National ranking <u>2/</u> By level of annual average pay, 1998
	1997	1998 <u>4/</u>	Percent change, 1997-98 <u>5/</u>	
All metropolitan areas	\$ 31,734	\$ 33,381	5.2	---
Metropolitan areas in ten Midwestern states <u>6/</u>	31,489	33,131	5.2	---
Akron, OH	29,101	30,697	5.5	66
Ann Arbor, MI	32,606	34,350	5.3	27
Appleton-Oshkosh-Neenah, WI	28,395	29,398	3.5	98
Benton Harbor, MI	27,678	27,872	0.7	133
Bismarck, ND	23,286	24,233	4.1	257
Bloomington, IN	24,221	25,836	6.7	203
Bloomington-Normal, IL	30,584	31,410	2.7	51
Canton-Massillon, OH	26,084	27,396	5.0	148
Cedar Rapids, IA	29,005	31,394	8.2	52
Champaign-Urbana, IL	25,829	26,941	4.3	163
Chicago, IL	35,892	37,752	5.2	12
Cincinnati, OH-KY-IN	30,484	32,220	5.7	43
Cleveland-Lorain-Elyria, OH	31,086	32,375	4.1	39
Columbus, OH	29,488	31,180	5.7	60
Davenport-Moline-Rock Island, IA-IL	28,462	29,298	2.9	99
Dayton-Springfield, OH	30,304	31,210	3.0	58
Decatur, IL	29,533	31,234	5.8	57
Des Moines, IA	29,167	30,627	5.0	71
Detroit, MI	37,164	39,520	6.3	7
Dubuque, IA	25,446	26,457	4.0	180
Duluth-Superior, MN-WI	24,888	26,156	5.1	191
Eau Claire, WI	23,171	24,615	6.2	247
Elkhart-Goshen, IN	27,203	28,724	5.6	111
Evansville-Henderson, IN-KY	26,692	28,419	6.5	120
Fargo-Moorhead, ND-MN	23,818	25,072	5.3	233
Flint, MI	33,654	34,612	2.8	25
Fort Wayne, IN	27,592	28,836	4.5	109
Gary, IN	29,067	30,514	5.0	75
Grand Forks, ND-MN	22,132	22,825	3.1	288
Grand Rapids-Muskegon-Holland, MI	29,627	31,178	5.2	61
Green Bay, WI	28,920	29,799	3.0	89
Hamilton-Middletown, OH	28,789	29,896	3.8	84
Indianapolis, IN	30,514	32,495	6.5	38
Iowa City	26,431	27,263	3.1	151
Jackson, MI	28,604	29,492	3.1	94
Janesville-Beloit, WI	29,462	29,877	1.4	85
Kalamazoo-Battle Creek, MI	29,400	30,628	4.2	70
Kankakee, IL	26,242	26,381	0.5	183

Table 2. Average annual pay for 1997 and 1998 for all covered workers 1/ by metropolitan area in ten Midwestern states, cont'd

Metropolitan areas <u>3/</u>	Average annual pay			National ranking <u>2/</u> By level of annual average pay, 1998
	1997	1998 <u>4/</u>	Percent change, 1997-98 <u>5/</u>	
Kenosha, WI	\$ 27,270	\$ 28,916	6.0	105
Kokomo, IN	35,880	37,517	4.6	13
LaCrosse, WI-MN	23,968	24,944	4.1	237
Lafayette, IN.....	27,461	28,742	4.7	110
Lansing-East Lansing, MI	30,672	30,943	0.9	63
Lima, OH	25,817	27,239	5.5	152
Lincoln, NE	25,180	26,608	5.7	174
Madison, WI	28,470	29,872	4.9	86
Mansfield, OH	25,713	26,656	3.7	173
Milwaukee-Waukesha, WI	30,689	32,136	4.7	44
Minneapolis-St. Paul, Minn.-WI	33,581	35,626	6.1	21
Muncie, IN	26,399	26,485	0.3	179
Omaha, NE-IA	27,591	28,584	3.6	114
Peoria-Pekin, IL	29,423	30,769	4.6	65
Racine, WI	30,346	31,371	3.4	54
Rapid City, SD	21,447	22,208	3.5	297
Rochester, MN	31,551	33,142	5.0	31
Rockford, IL	29,304	30,600	4.4	73
Saginaw-Bay City-Midland, MI	32,063	33,274	3.8	30
Sheboygan, WI	27,123	28,171	3.9	129
Sioux City, IA-NE	23,603	24,909	5.5	239
Sioux Falls, SD	24,568	25,993	5.8	199
South Bend, IN	26,571	27,683	4.2	140
Springfield, IL	31,175	32,608	4.6	37
St. Cloud, MN	23,570	26,247	11.4	187
Steubenville-Weirton, OH-WV	25,438	26,337	3.5	184
Terre Haute, IN	24,141	25,516	5.7	214
Toledo, OH	29,052	29,733	2.3	90
Waterloo-Cedar Falls, IA	26,432	26,728	1.1	172
Wausau, WI	26,266	26,956	2.6	162
Youngstown-Warren, OH	26,855	27,123	1.0	154

1/ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

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